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Human Events THE WASHINGTON NEWSLETTER

Vol. XVIII, No. 1 January 6, 1961 Section I — News

BUREAUCRACY: *More on the way with JFK* (1)

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HOOVER: *Cites Red offensive on youth* .....(3)

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Bigger Bureaucracy: The prospective trend back to many of the evils of Trumanism and Roosevelt's New Deal appears not only in the Kennedy appointments in the foreign field—Chester Bowles, Dean Rusk and Adlai Stevenson—but also on the domestic front. Noted is the report to the President-elect by Dean James M. Landis of Harvard, one of the more hoary eggheads, on the so-called "independent" regulatory agencies (such as the Federal Power Commission, the Federal Communications Commission, etc.). After deploring various malpractices of such agencies (which are admitted by both the Left and Right anyway), Landis recommends more bureaucracy, a new structure of "oversight" bureaucrats to correct some of these evils.

The intent of Landis, analysts conclude, is to swell the power of the Executive at the expense of the Legislature. Beginning back in the Eighties with the Interstate Commerce Commission, the first of the "independent" agencies, these bodies were set up as arms of the Legislative power; Congress subbed out to them the role of dealing with the details of its laws, reserving to itself final control. The President was allowed to name the commissioners with advice and consent of Congress; but not to oversee and control them. This, Landis now sets out to change, to the benefit of the Executive. The President would not only name the directors, but also have the power to remove them—a formidable weapon.

Franklin D. Roosevelt tried to control the Federal Trade Commission; sought to fire an FTC chairman because the chairman's views—said FDR—did not agree with his own. The Supreme Court reversed the action.

Additionally, the Landis report recommends that President Kennedy have the power to reorganize these agencies, a power Congress may well not accede. There are many evils inherent in these agencies; one of them is the judicial powers which they wield, particularly over the long-suffering businessmen. But it is not noticeable that the Harvard egghead found much time to worry about them.

The Landis report, which attracted much comment upon its release last week when news breaks were scarce, may well become a hotter item later when Congress presumably will defend its powers against the encroaching Executive.

Forces in Germany: News reports from Europe stress the German army's lack of room for barracks, training, etc. France, Italy and Turkey have agreed to let German troops train on their soil; and England has offered facilities. Yet—Washington observers note—the US continues to maintain a huge army installation in Germany. The German Defense Minister wants about 50,000 more acres. Why not—argue observers in the US Capital—move out most of our troops and let Germany use its own land for its growing army?

Evacuation of about five US divisions now in Germany, say military authorities here, would not impair the NATO defense system. These divisions were sent there at a time when West Germany had no army at all. Now it boasts nine divisions and expects to add three more in 1961. For morale reasons, it might be well to leave one US division on German soil; but the four other American divisions occupy space which the local military forces could well utilize.

Additionally, the transfer of these US divisions back to America would substantially help the Treasury's gold problem.

Ike sought to alleviate the spending of US money abroad by cutting down the number of US Army dependents in Germany and elsewhere, thereby provoking much discontent from soldiers and their dependents who dislike being separated.

The return of four US divisions from Germany might well save the US about $1 billion of the amount now exported annually to that European country. Members of Congress would like to know —"What are we waiting for?"

Sorry, *NO MORE* reservations can be accepted for the Political Action Conference being held by HUMAN EVENTS in Washington this week.

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Nixon: Noticed by Washington was the news item that the Vice President, during his recent trip to New York, visited other politicos, but did not look up Governor Rockefeller. This confirms the view in the Capital that Nixon has cooled off considerably towards the New York Governor upon whom he placed great hopes for lining up New York voters for the GOP. It is said by intimates that the VP now admits that Rockefeller failed badly on this mission, and the VP attributes it to Rocky's lack of "political know-how." Friends of Nixon, however, say that Rocky deliberately laid down on the job, that he did not want victory for the VP. So far, Nixon declines to admit that he made a mistake by negotiating his "midnight deal" with Rockefeller on the eve of the GOP convention last July.

While Nixon does not seek communion with the New York Governor—the question arises—what's his attitude toward Barry Goldwater, the other pole of power in the GOP? The Arizona Senator has been out of Washington most of the time since Election Day, with the exception of one quick trip to Washington several weeks ago. Rumor has it that Goldwater and Nixon had a very private meeting on that occasion.

Poll on Labor: Those who have long asserted that rank-and-file labor union members want more government regulation of the power of the Labor Bosses find confirmation in a public opinion poll conducted by Opinion Research Corporation of Princeton, New Jersey. Not only does the general public desire more regulation of this power, but also union members want it, and to some extent more so than the general public.

Thus (as reported by the *Wall Street Journal*), Opinion Research finds that 60% of the general public desire close government regulation of unions, only 20% want no regulation at all and 20% have no opinion.

The same question put only to union members brought replies indicating 63% want close regulation.

Opinion Research polls indicate that 62% of the general public want labor unions brought under anti-trust laws, only 9% oppose, and 29% are undecided. Of union members, 57% want their unions put under anti-trust laws, 20% oppose and 23% express no opinion.

Even more interesting—while only 73% of the general public support the 80-day "cooling-off period" in strikes, 84% of union members go for it, and 43% of union members would go further and impose a penalty for failing to settle a wage dispute before the end of the 80 days.

Walter W. Heller: Kennedy's selecting University of Minnesota Professor Walter W. Heller to be chairman of his Council of Economic Advisers hardly brings to that post the voice of moderation as the press has characterized so many of the Kennedy appointees. Indeed, the 45-year-old Heller, an economic adviser to liberal Minnesota Governor Orville Freeman and tax consultant to the National Education Association teachers' lobby, is cut from Galbraithian timber. Like Harvard economist John Kenneth Galbraith, Heller is an advocate of Federal pump priming to promote growth and a critic of consumer "frills." Also like Galbraith, Heller is a strong admirer of the Soviet economic system, believing it allocates resources better than does the United States.

Heller advocates vastly increased Federal government spending, while admitting this means low interest rates with "insistent inflationary pressures," even though it might require "selective controls" from which "we should not shrink" and deficit financing. (Heller is so complacent about debt that, on January 30, 1959, he testified before the Joint Economic Committee that budget deficits in the next 12-18 months would "continue to stimulate and serve the cause of recovery." He stated before an education subcommittee in May of that year that the national debt is not bad because we not only "owe the debt" to ourselves, we also "own the debt." He has also described the national debt ceiling as "fiscal hypocrisy.")

Surprisingly, one of Heller's most radical proposals concerns tax reform. While it has been reported that he thinks no tax on income should be over 60 per cent, the press has generally overlooked Heller's additional view that virtually all tax deductions should be eliminated, thus increasing nearly everyone's taxable income. He hopes to do away with the oil and mineral depletion allowances, for they are "leeching away tax revenues," says Heller. He also wants to wipe out tax exempt municipal and state bonds.

Heller says that "even the excess exemptions for the aged and the blind . . . are in the last analysis an impediment to economic growth . . . ." (page 3004 of the JEC report, 86th Congress, October, 1959.)

But while Heller suggests lowering the tax rate, Senator Paul Douglas (D.-Ill.), who heads the JEC and agrees with Heller's proposals, described the offer as a "sweetener" (page 3010) because, said Douglas, for Heller's tax reform to go through, "you have to have sweeteners." Heller did not deny Douglas' statement.

Dillon and Foreign Aid: While many feel that C. Douglas Dillon has been a good Undersecretary of State, the notion he will be a sound Secretary of the Treasury seems to be something of an illusion.

For the budget Ike will hand to Congress before he leaves office (which the incoming Administration can totally discard), Dillon requested that $5.5 billion go to foreign aid. The Budget Bureau, reports the New York *Times*, has drastically slashed the request to $4 billion, $1.8 billion less than last year.

The Budget Bureau has also axed Dillon's requests in other categories: Dillon asked $2.5 billion for the

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Defense Department which the BB cut to $1.8 billion; he wanted $1.3 billion for the Development Loan Fund, the BB granted $700 million; he asked for $550 million for Special Assistance, the BB held it to $350 million; he sought a 15 per cent increase in the Administration's bilateral technical assistance request of $172 million, but the BB held it to about $162 million.

With Ike following the advice of the Budget Bureau, his last budget will be $2.5 billion less than it would have been, had Dillon's requests been granted.

Reds Move on Youth: J. Edgar Hoover stated in his just released annual report to the Attorney General that the Communist party's new emphasis on recruiting American youth is "particularly significant."

"Under the direction of their National Youth Director," Hoover said, "the Communists have begun issuing a special publication, 'New Horizons for Youth,' aimed directly at America's young people."

Hoover disclosed that the Communists were completing arrangements for a Chicago conference to formulate plans for a new national youth organization—"one whose programs and activities will be clandestinely directed by party members."

> **"In addition," the FBI chief stated, "the Communists hope to repeat the success which they achieved on the West Coast last May in spearheading mob demonstrations by college students and other young people against a Committee of Congress."**

HUMAN EVENTS reported last week that such a demonstration was being planned for Washington this week when Congressman James Roosevelt is expected to make his annual speech condemning the House Committee on Un-American Activities and calling for its abolition. Noteworthy is that organizers of most of the groups set to demonstrate and lobby against the HCUA are First or Fifth Amendment pleaders.

Capitol Camera: Report that Soviet Ambassador Menshikov has been sounding out prominent Democrats about US foreign policy, entertaining them lavishly in the gloomy old Russian Embassy on Sixteenth Street, N. W. Among the guests: Senator Fulbright, chairman of the Senate Foreign Relations Committee. Yet, Fulbright has consistently refused to see George Yeh, the Ambassador from one of our most faithful anti-Communist allies—Chiang Kai-shek.

• *"Buy American"—Ike's order to his Administration is being ignored by no less a person than Undersecretary of State Douglas Dillon (named Secretary of the Treasury by the incoming Democratic President). He has ordered at his own expense ten crystal chandeliers for the State Department dining room (where visiting foreign leaders will be entertained). The news stories say that he has ordered the chandeliers, made in France, at a price of "several thousands of dollars" each.*

• The faculty at the University of California's Boalt Law School (over 80 per cent are Democrats) voted almost unanimously to send a telegram to Kennedy protesting consideration of Brother Bob for Attorney General. It wasn't sent, a Boalt student informs HUMAN EVENTS, because the faculty subsequently decided not to involve the school in politics.

• *Dean Rusk, John Kennedy's choice for Secretary of State, shares his boss' views on the undesirability of* U-2 *flights. Rusk, it is reported in the Capital, vetoed aerial reconnaissance flights behind the Iron Curtain as "aggressive" while serving in the Truman State Department. Kennedy, of course, publicly criticized the* U-2 *flights, urged the US to "express regrets" to Khrushchev for having violated his airspace.*

Federal Aid: President-elect Kennedy has told his legislative field generals that he will move early to push across a far-reaching Federal aid to education bill. He will demand large sums for aid to school construction, declaring that government figures show a shortage of 132,000 classrooms.

That figure has little relation to reality. A recent survey of 35 states shows that they use a great variety of methods to determine their own classroom shortages. While each method might be appropriate for a given state, to total the results, as the US Office of Education does, makes little sense.

For example, it was discovered that one state aims at a goal of 15 pupils per secondary school classroom and claims a schoolroom shortage, even though the national average is 28 pupils per classroom. Many states arrive at their shortages by adding up the additional rooms that their district superintendents say they need.

An unpublished report of the US Bureau of the Budget bears out these conclusions. Field trips were made to nine states which collectively reported about half of last year's classroom shortage of 132,000. The Budget Bureau reported that differences in definition and methods of collection made accurate comparisons impossible. In some states local authorities counted children twice, once as "excess enrollment" and again as housed in "unsatisfactory facilities." The report showed also that some state figures were projections of figures made seven or eight years ago.

The HCUA: In an exchange of letters between Chairman Francis Walter of the House Committee on Un-American Activities and J. Russell Wiggins, Executive Editor of the Washington *Post* (following that paper's charges that the committee film of the San Francisco hearing riot was a fraud because it showed the riot to have been Communist instigated), Wiggins stated: "It seems to us also that the fact that 67 of the 68 arrested persons were released, after being charged with disturbing the peace and resisting arrest, indicates that the facts were not exactly in accord with those as presented in the film."

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But Judge Albert A. Axelrod, presiding judge of the San Francisco municipal court, stated December 24: "I very definitely agree with the view of FBI Director J. Edgar Hoover that the city hall riot last May 13 was instigated by Communist subversives."

Judge Axelrod said of his dismissing the charges, mostly against college students, that "at no time did I condone their conduct." Judge Axelrod stated that a mass trial for the students "would not only be costly from a monetary sense but would play directly into the hands of those who create unrest . . . ."

Justice Stewart: Swing Man Of the Supreme Court

By POTOMACUS

MR. JUSTICE POTTER STEWART is the 92nd man to go on the Supreme Court of the United States, but that isn't his only distinction. He is also the very first alumnus of a certain new kind of law-teaching to make the top tribunal.

The young Ohio lawyer President Eisenhower named to succeed Justice Burton got his law degree at Yale in the year 1941. At that time the Yale School of Law was one of the strongholds of a novel kind of jurisprudential thinking quite out of whack with our traditional constitutionalism. Its practitioners called it the Realistic Jurisprudence. Among the leading "Realists" was Prof. William O. Douglas, until 1934 on the Yale law faculty and now a Supreme Court Justice.

The concrete things the Realistic Jurisprudence stood for were probably best suggested by the way the Realists behaved in the great constitutional crisis that broke when the then young Potter Stewart was getting ready to study law. This was the famous court-packing fight in 1937 in which the President tried to name enough Justices to pressure the court nearer to his point of view. Many of the top men on the Yale law faculty, including the Dean, were enthusiastic backers of this scheme.

Indeed, the working essence of the Realistic Jurisprudence was pretty well put a decade later by a famous legal scholar: "Despairing of the possibility of moving legislatures" in the policy-making way they want "these scholars set their hopes in the judges, especially the future judges who would arise from the ranks of their own pupils . . . . For the new case a new rule must be made by the Judge . . . . "

So with the confirmation to the Supreme Court of the first young lawyer trained in a new-style Realistic law school, people aware of jurisprudential trends pricked up their ears—and some of the more conservative held their breaths. At the time of the Stewart nomination a four-man team of legal activists, including former Yale Professor Douglas, had for several court terms been stretching the judgely power beyond its familiar constitutional limits. In the name of "human rights" they had pushed property rights toward second-class status. In the name of civil liberty they had sharply curtailed congressional legislation against subversion and liberalized the already liberal defenses available to criminals in the older American law. Their friends agreed that at many points they were in fact legislating rather than judging.

What, then, would these judicial activists expect from the newest Supreme Court Justice? Could the court-packing professors of yesteryear, still "despairing of the possibility of moving the legislature," look for more end-runs around Congress by this first Supreme Court Justice to "arise from the ranks of their own pupils?"

Well, as it happens, that isn't at all the way it worked out in Mr. Justice Stewart's first (1958-59) term on the court. The Stewart performance was analyzed by the *Harvard Law Review* in the course of its annual survey of each regular Supreme Court term. The *Review* found that though the new Justice went along in some "liberal" decisions, in 12 highly controversial 1958-59 cases, he sided not with the activist-legislators on the court, but with the more prudent and judge-like Frankfurter, Clark, Harlan and Whittaker.

Moreover, the cases which the Stewart vote helped throw to the conservative side included the touchstone Barenblatt decision in which the new majority moved far to moderate the curbs on Congress' power to investigate communism which the "liberal" Watkins decision had imposed or implied two years before.

But Justice Stewart's position is shown most sharply by the statistical studies in which the *Review* counts up the number of times each of the Justices agrees with each of his eight brethren. In the 1958-59 and 1959-60 terms the colleague with whom Justice Stewart concurred most frequently—151 times—was his fellow freshman, and clearly at the right wing of the court, Justice Whittaker. Stewart's next most numerous agreements were the 145 with the cautious Justice Harlan. With Justice Clark, out-and-out conservative and vehement dissenter in the Watkins case, Stewart stood 143 times. The newest Justice was with the scholarly Frankfurter 131 times.

Swinging now to the activist "liberals," Justice Stewart lined up with Justice Brennan only 130 times and with Chief Justice Warren a mere 111 times. And he found least congenial of all, with a brush-off minimum of but 93 agreements each, those rampageous "liberals," Black, and the former law Realist law professor at his own Realist law school—Mr. Justice Douglas!

It may be too soon to tell for sure—Justice Stewart has been on the worrisome side in one or two cases this current term—but it is still possible to hope that the Realist quacks may really have hatched out a swan!

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HUMAN EVENTS

--- COMMENTARY ---

These suburban children suffer not from physical and economic, but from emotional and spiritual poverty. Their parents refuse them nothing, except discipline and guidance.

—Cleveland Juvenile Court Judge
ALBERT A. WOLDMAN

Vol. XVIII, No. 1 — Section II

January 6, 1961

Public Power Lobbyists Will Have Kennedy's Ear

By Raymond Moley

Since the election, tremendous pressure has been exerted upon Senator Kennedy to recognize the National Rural Electric Cooperative Association by giving an appointment to Clyde T. Ellis, the creator and master of that important pressure group. The aim of Ellis was first to get the Secretaryship of the Interior. But that designation went to another advocate of public power, Congressman Udall. Then Ellis lowered his sights to the Undersecretaryship of the department. At this writing, the post has not been filled.

Perhaps Ellis will be passed over and later given another job. But it is certain that the formidable power of Ellis and his organization will be a major policy-determining factor in the Interior Department in years to come. For both the Democratic platform and Senator Kennedy himself are committed to greater extension of the government into the production and distribution of electricity.

Ellis came out of Bentonville, Arkansas, and was elected to Congress during the Roosevelt Administration. He was defeated for re-election, but he remained in Washington and founded and built up what is now the most powerful pressure organization for public power in the nation. Many a Congressman and Senator has yielded to the Ellis pressure. As a result, he has succeeded in keeping for the electric cooperatives a two per cent rate on loans from the Federal government, despite the higher cost of money to the government itself. President Eisenhower has unsuccessfully sought to raise the loan rate.

Ellis operates his association under the banner of representing the farmers' interests and claims that he speaks for all the vast numbers who pay dues to his NRECA. Because of the freedom with which loans are extracted from the Federal Rural Electrification Administration and the monopolistic position of many rural cooperatives, vast reserves have been built up. Any member of Congress who fails to vote as Ellis orders feels the weight of his influence.

He has been working for vast Federal power projects from Passamaquoddy to the presently promoted Rampart Dam on the Yukon River in Alaska.

However, in the course of his activities he has made enemies, and one of them was Senator Lyndon Johnson. Back in 1948 Johnson was angered at the pressure exerted by Ellis in behalf of the confirmation of Leland Olds as a member of the Federal Power Commission. The confirmation lost in the Senate by a vote of 53 to 15.

Speaking before a regional conference of the NRECA, Johnson said:

"Because of one man's endorsement, REA co-ops were associated permanently with a propaganda campaign with which the REA should not have been involved. I tell you sincerely: you have a bigger job than to serve as a tool of the . . . propagandists who want you to fight their battles for them."

It may well be that the Vice President-elect's opposition will prevail with the President-elect on this appointment. Since the Interior Department is supposed to represent the national interest rather than that of public power minorities, however powerful they may be, it is to be hoped that Ellis can be kept out of the new Administration.

WHO'S ALWAYS THE GALLANT ONE?

Not So Funny

From the New York Daily News

We are not amused—as Queen Victoria of Britain said on a previous occasion—by the news that Mrs. Elizabeth Rudel Smith, just named by President-elect Kennedy as Treasurer of the United States, can't keep her own checkbook straight.

These are rough times, with the government gouging tens of billions a year out of the people and spending like crazy.

If Mrs. Smith can't keep her checkbook straight, let's find somebody for US Treasurer who can. Or, if the job is one in which its holder doesn't have to do any real work, let's abolish the job and save the $17,500 a year that it pays.

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Red China Hasn't Earned Recognition

From the Chicago Tribune

Thirty-two teachers of history at 23 American universities and colleges have signed a letter to President-elect Kennedy urging him to recognize Red China and East Germany. This, they say, would be a step toward settlement of the Berlin and Formosan problems.

Mr. Kennedy is instructed that he should not let himself be handcuffed by the policies of previous Presidents. This is a time for boldness, he is assured. It is therefore a time to sign a disarmament treaty with Russia even though we receive no assurance of adequate inspection.

And so the propaganda drive gets a fresh start in a round-robin letter from a crew of pundits. That is the usual beginning. It lends a note of learning and respectability to a policy that had the support of neither candidate and neither party in the recent election and, in fact, amounts to an invitation to the winner to betray his followers and lead his country into the path of danger.

What reason is there to believe that the recognition of Red China will lead to a satisfactory solution of the so-called Formosan question? Or that the recognition of East Germany will lead to a solution of the Berlin question? Or that, in the absence of inspection, the Communists will keep their word on atomic weapons and arms reduction? What is there in the record to invite the conclusion that the concessions we are asked to make will still their appetite for more lands to rule and more people to abuse?

The Red China we are asked to recognize is the same Red China that fought the United Nations in Korea and killed tens of thousands of American boys, that has played the same game in southeast Asia, that violated the Indian border, and is guilty of unspeakable atrocities against the Tibetan people. Anyone who may still cherish lingering hopes of Red China's behaving like a civilized nation should read the findings of the International Commission of Jurists which sifted the evidence regarding China's invasion and conquest of Tibet. Some of the unspeakably brutal facts contained in the 345 page report were summarized by Lowell Thomas in the December number of the *Reader's Digest*.

Red China has been guilty of barbaric cruelty born of a fanatical determination to break the Tibetan people's desire for independence and devotion to their religion. Thousands have been slaughtered. Beatings, wholesale kidnapings, and full scale genocide on the Hitler plan have been among the instruments of oppression. This is the Red China that the 32 professors think we should recognize as if the exchange of ambassadors would soften the hearts of case-hardened fiends.

[It might help if the] professors would read chapter 2 of the United Nations charter. It says that membership shall be open to "peace loving states which accept the obligations in the present charter." Red China's behavior makes it altogether obvious that she has not and will not accept the obligation to keep the peace.

Article 2 also authorizes the suspension of a member against which preventative or enforcement action has been taken. That means that Red China, if she had been admitted to membership, should have been expelled for her behavior in Korea. Why admit a member that deserves to be expelled?

Chapter 2 goes a step farther. Article 6 says: "A member of the United Nations which has persistently violated the principles contained in the present charter may be expelled from the organization by the general assembly upon the recommendation of the security council." Even before she has been admitted, Red China has established a complete case for her expulsion. It needs only to be added that once admitted, she could never be expelled because Russia would veto the proposal.

A Strange Role for Reuther

From the Indianapolis Star

The US Commission on Civil Rights has met in Detroit where it heard Governor G. Mennen Williams list among other accomplishments in the field of civil rights the passage of a Michigan law "to combat bigotry in political campaigns."

Just previously, the commission had heard a statement on equality by Walter Reuther, the union boss.

Perhaps the commission remembered that Reuther, who is a Michigan citizen, had a hand in producing the most flagrant example of political bigotry brought before the public during the presidential campaign. It is a fact of Michigan politics that the Williams-Reuther relationship has been somewhat that of Charlie McCarthy and Edgar Bergen.

This must be the best explanation why the Michigan law to combat bigotry in politics somehow didn't bother Reuther. Certainly there is biting irony in a situation which finds Reuther posing as the champion of fairness before the Civil Rights commission only a few weeks after political literature under his direction had been marked by the most vicious kind of bigotry.

The Ghost of Prof. Douglas

"If wages are pushed above the point of marginal productivity the decrease in employment will normally be from three to four times as great as the increase in hourly rates so that the total income of the working class would be reduced."

From *The Theory of Wages*, written in 1934 by Paul H. Douglas, while he was a Professor of Economics. Since 1949, he has been Democratic Senator from Illinois with a voting record considered by the AFL-CIO to be perfect.

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Depreciation Allowance—A Growing Issue

By Fulton Lewis, Jr.

Early in the upcoming session of Congress will come the first test of John Kennedy's independence from the labor bosses who helped elect him President. It will come on the question of plant equipment depreciation allowances, the liberalization of which Kennedy has favored and big labor has opposed.

Kennedy went firmly on record during the campaign as favoring "accelerated depreciation" to "encourage the modernization of our capital plant." AFL-CIO President George Meany is so much against it that, before the Democratic National Convention Platform Committee, he urged repeal of the depreciation provisions of the 1954 tax law now on the books. Instead, he advocated tax relief for lower income groups through an increase in the $600 personal exemption.

Whatever the attitude of President Kennedy, Congressional sentiment for accelerated depreciation is growing. Two leading Republicans on the House Ways and Means Committee, where tax legislation begins its course through Congress—Representatives Byrnes of Wisconsin and Curtis of Missouri—have indicated strong support. Vice President Richard Nixon also has advocated a more liberal depreciation allowance, and so has the President's Commission on National Goals.

On the Democratic side, accelerated depreciation was vigorously advocated by a special subcommittee of the Senate Committee on Small Business, headed by Senator John J. Sparkman of Alabama. This subcommittee, in its report to the Senate last January, called for "a liberalization of depreciation policy toward all business, large and small." The report said further:

"The twin problems of inflation and technological obsolescence have become increasingly significant in recent years. In combination they have made our depreciation policies completely out of date, though these policies may have been reasonable and perhaps necessary in the 1930's."

Both small business and big industry would like action to substitute real replacement cost write offs for the original dollars spent. Equipment installed in 1939 at a cost of $1,000,000 could not be replaced today for much less than $2,500,000, according to most economic and fiscal analysts.

In the last week a new study has warned that serious unemployment could result from continuation of present policies. Two Fordham University professors, William Hogan and Frank T. Koelbe, wrote that:

"Nearly one-third of our production plant and equipment is obsolete. Should the present depreciation tax system be maintained, at least an additional 60 billion dollars worth of plant and equipment will grow obsolete by 1970. The 96 billion dollars required at the present time for modernization, added to the 60 billion dollars, demonstrates our crucial need for capital to replace obsolete equipment."

Most governments of the Western world—Great Britain, West Germany, Belgium, France, Italy, Sweden, Argentina, Chile, Japan and Canada—have modernized their depreciation laws to allow for actual replacement costs or to provide rapid depreciation, or both.

The attitude of a key leader on tax legislation, Representative Wilbur Mills of Arkansas, Chairman of the Ways and Means Committee, remains unknown, although he is known to be keenly aware of the rising sentiment for action.

Labor's lobbyists have warned that they will fight any liberalization of the laws. Despite this formidable opposition, however, Democratic and Republican members of the Ways and Means Committee predict that some sort of relief will be enacted into law.

Vote Counting Is Important, Too

From the Christian Science Monitor

The American Heritage foundation and other civic bodies do a splendid job of getting Americans to vote. Certainly it is no less vital to make sure that the votes are properly handled so the people's voice is accurately, promptly, and honestly recorded. Attention to voting is fine, but let's have similar attention to counting.

What Price Social Security?

From the Indianapolis News

"Will our children and our children's children and their employers be happy about paying social security taxes when they discover that the same money would buy substantially more retirement benefits for them if purchased voluntarily from a private insurance company?"

This is a question we should all be asking ourselves. It strikes at the core of the "government-paid" social security fallacy.

The problem of passing on a crushing debt to our children, raised by James F. Oates, Jr., president of the Equitable Life Assurance Society, is vastly increased by the unbudgeted social security program. Now exceeding $10 billion in annual disbursements, and operating at a loss, it is the costliest "gift"—in terms of their own money—that this country's people ever have had foisted on them.

Those who argue that social security should be extended into medical aid and other fields should start thinking about the head-tax they, their children and their children's children will have to go on paying without end.

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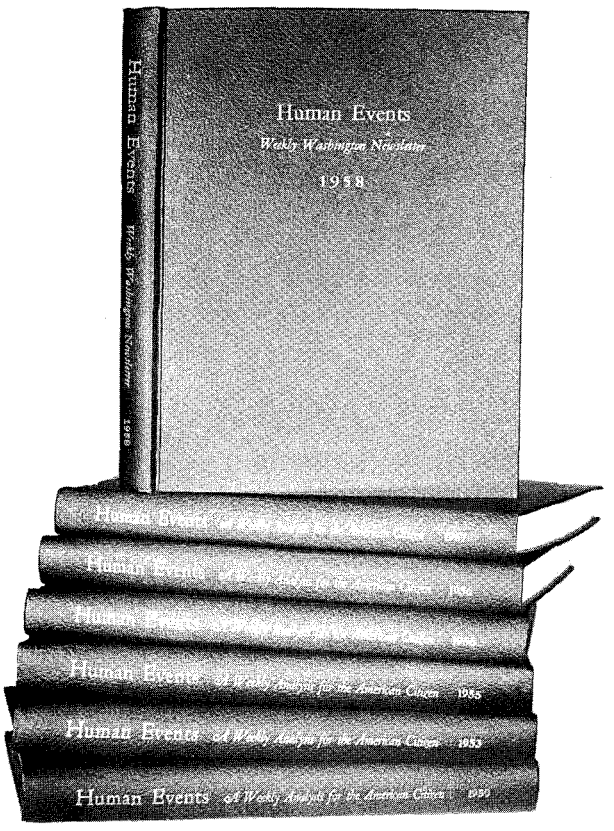

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Is Corruption Essential to the Democrats?

Boss Tweed: *"As long as I count the votes, what are you going to do about it?"*

IN THE MATTER OF CORRUPTION, the Democrats have a past before them. Without going farther back, we have the story of Ed Flynn's fraudulent count in the Bronx which was responsible for Franklin D. Roosevelt's election as Governor of New York in 1928. The story is told by Jack Harrison Pollock in the *National Municipal Review*, June, 1956. All of New York City used paper ballots. It takes a long time to count them. When it is convenient, the count can be slowed down, to see how the total is coming out. Any necessary "adjustments" can be made before the total is announced.

In 1928, the count in the Bronx was dragged out until 2 a.m. The final tally there gave Roosevelt a 95,000 majority. In the state his majority was only 26,000. Without the Bronx, he would have lost. Ed Flynn, boss of the Bronx, had delivered the goods. The stakes were high. From that election Roosevelt went triumphantly on to four elections to the Presidency.

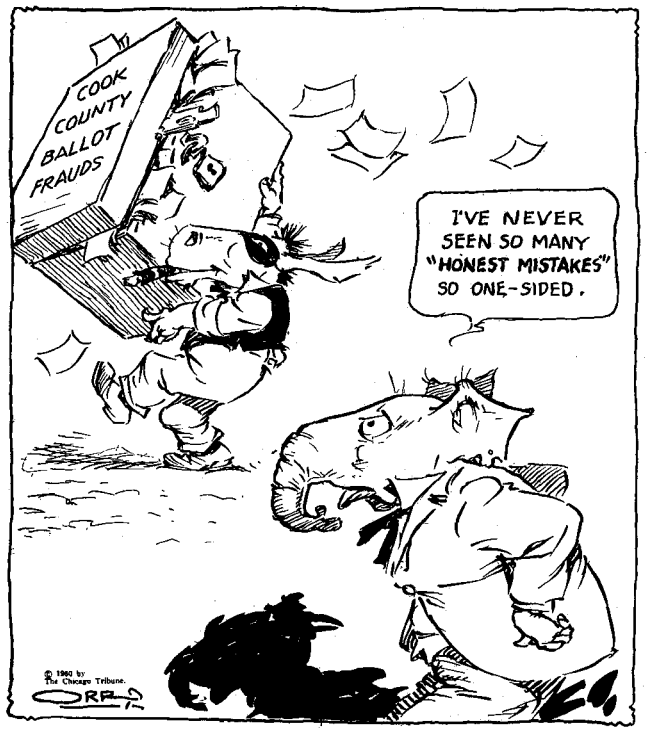
Flynn became a favorite of FDR's—as he deserved to be—for the rest of the President's life. His rewards were many, including his tenure as Secretary of State of New York under FDR and subsequent tour as Democratic National Chairman.

In 1938 Harry L. Hopkins and the Works Progress Administration engaged in such flagrant corruption that Thomas L. Stokes received a Pulitzer Prize for his reports on their activities, especially in Kentucky. The odor was so marked that Hopkins was hurriedly transferred from WPA and named Secretary of Commerce; WPA operations were put under an Army engineer. Hopkins went higher and higher.

Harry S. Truman's career rested on the skill of the Pendergast machine in controlling the final count of votes. Truman won his senatorial election by a plurality of 41,000 votes. At the time Pendergast had at his summons from 40,000 to 60,000 "ghost" votes. In Kansas City and Jackson County, Truman received a total of 138,423 votes, while his opponents had—officially—only 10,437 votes. As President, Truman refused to renominate Maurice M. Milligan as United States Attorney in Missouri because the latter had dared to investigate vote frauds there. Tom Pendergast went to prison for insurance frauds, although his more vicious offense was violation of the vote-counting laws.

LYNDON B. JOHNSON of Texas won his first senatorial election in 1948. Precinct No. 13 in Jim Wells County gave Johnson 765 votes and his opponent, Governor Coke Stevenson, 60. When it appeared that Stevenson had carried the state by 113 votes, the county's returns were "corrected" to make the vote 967 to 1. This helped make the future Vice President the winner by a state margin of 87 votes.

THE VOTE THIEVES' ALIBI



Federal Judge T. Whitfield Davidson ruled that "there has not been one word of evidence submitted to disprove [Governor Stevenson's] claim he was robbed of a seat in the United States Senate." Soon after that, the United States Supreme Court ordered the Judge to halt all proceedings. The order was signed by Associate Justice Hugo L. Black.

It was this margin of 87 votes in the Senate which gave Johnson his title of "Landslide Lyndon." Like other victors of Democratic machine politics, Lyndon has gone up and up to ever higher rungs of the political ladder.

CONGRESS MADE its last thorough investigation of vote fraud charges in 1953, when the incumbent Democratic Senator Dennis Chavez was declared elected over Republican Patrick J. Hurley. The Senate Subcommittee on Privileges and Elections investigated the case for 13 months, at a cost of $200,000, or much more if all costs were included. The majority of the Subcommittee voted that at least 55,000 New Mexico citizens were deprived of their constitutional right to a secret ballot. In addition, there were fraudulent ballots and premature burning of the evidence.

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The Subcommittee recommended that the election be voided, but the Senate, about equally divided between Democrats and Republicans, refused to concur.

The all-time corruption classic probably will turn out to be the Kennedy victory in 1960—if the facts can be determined. What is known today merely skims the surface.

Fourteen of the 22 states which went Democratic did so by the thinnest of margins. Altogether these states controlled 228 electoral votes.

In Illinois, John L. East, Republican Committeeman from Chicago's Fifth Ward, has charged that at least 1,000 ghost votes were cast in his ward, where Kennedy received 18,835 to Nixon's 7,795. Senator Kennedy got 72 votes in a Second Ward precinct where records show only 22 eligible voters.

Voters were registered from buildings which had been torn down. Absentee ballots were delivered to polling places just too late to be counted. Properly registered citizens were not permitted to vote. Names were added, apparently illegally, to the registration lists. This was the testimony before the grand jury which conducted an inquiry in Chicago.

Texas Republicans insist that over 100,000 voters in their state were disfranchised because of rulings by election judges. In Texas, voters do not make a cross opposite the name they want, but cross out the names of candidates they do not want. This is hand-made to encourage confusion. Voters who wished to vote for Kennedy or Nixon were legally required to cross off the names of three candidates, including those of the Constitution party and the Prohibition party.

With such a set-up, precinct workers can count the many dubious ballots, throw them out, or scratch off the names of minor party candidates to make the ballots "legal." Election judges refused Republican requests for consistent standards so that ballots for both major candidates would be treated the same way.

ONE OF THE MOST ASTONISHING elements in the thin Kennedy majority was the Negro vote. In Chicago the Negroes constitute 30 per cent of the voting population. Controlled by Congressman William L. Dawson, they vote solidly Democratic. In Missouri, the Negroes may have cast as many as 150,000 votes. Kennedy won in that state by 9,878. In Pennsylvania, Kennedy won by 116,326; he carried Philadelphia, where Negroes are a substantial portion of the population, by 331,554.

In Texas, 23 predominantly Negro districts in Houston gave Kennedy 22,156 against 3,393 for Nixon, nearly 7 to 1. Kennedy is estimated to have received over 100,000 Negro votes in Texas. In South Carolina, Kennedy received 40,000 votes from Negroes; his margin in the state was 9,571. In North Carolina, Kennedy's victory was by 57,670. He is believed to have received 70,000 Negro votes.

In Chicago, Philadelphia, St. Louis and Kansas City, and in certain parts of Texas, fraudulent registration and balloting are rampant in Negro precincts. In other areas, the Negro vote for Kennedy was evidence of the thorough job done by the Democratic machines, the kind of job in which Johnson and Speaker Sam Rayburn excel. Democratic machines have been organizing every precinct and working face-to-face with Negro voters, in the North and in the South, for many years.

The Republicans have quite properly asked for recounts in the critical states, but it is pretty well established that recounts do not settle anything. Fraudulent ballots are not left lying about for the opposition party to find. They are lost, illegible, or even burned up. Voting machines, which were tampered with on Election Day by a hair pin or a paper clip, are in perfect working order the next morning.

Losers can also appeal to the Senate Subcommittee on Privileges and Elections or the corresponding committee of the House. In earlier decades, Congress has refused to seat candidates, where the odor of corruption was too strong. But no one expects the party in power to give up a Presidential election it apparently won, for anything short of overwhelming proof of dishonest counting of the votes. That proof will not be left lying around.

An excellent summary of the technical problems of dishonest voting appears in the *National Municipal Review* story mentioned at the beginning of this article.

Paper ballots lead to all kinds of abuses—the "graveyard vote" of names of dead people; tearing ballots; erasing them; marking them illegally; forgetting to count them; or even burning them up. Voting machines were worked out to end the scandal of paper ballots. But now there is a multitude of techniques for making the machines work as the professionals wish.

No mechanical improvements in election machinery will ever give an honest count of the ballots. No post-mortems by state officials or congressional committees will overturn a result unless it is clearly scandalous. That does not mean state election officials and congressional investigations are of no value. Quite the contrary. They greatly reduce the amount of corruption. They make it possible to bring charges and evidence out into the light—a very healthy thing.

There is no safeguard for honest voting and honest counting that compares with a vigorous, alert well-directed opposition party in every election district, ready to put an end to fraud before it can be counted.

The Democrats think politics is important. They work at it every day in the year. Republicans cannot outwit them by high-level campaigns for six months in every four years.

Is it worth the effort of working every day in the year to be sure the contest between the parties is a fair and equal contest, when the American Presidency is the prize?

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Uncle Sam's Claim Against Alben Barkley

By Westbrook Pegler

FOR YEARS there were rumors in Washington that Alben W. Barkley, both as Senator from Kentucky and Majority Leader and later, as Vice President under Harry Truman, did not pay his income tax; indeed, that some years, he did not even make returns.

The Internal Revenue is very secretive although there have been cases in which photostats of returns leaked out to persons not authorized by law to get them. The rumors about Barkley came to me from field agents of the Internal Revenue who had retired and were no longer exposed to punishment. The Louisville *Courier-Journal,* which was friendly to Barkley in life and currently advocates a state memorial to him to cost about $50,000, has now published verified statements that his estate had to pay $343,444 in taxes on a total estate of $634,801, acquired mainly in his last few years.

Ex-Governor Happy Chandler, who fought Barkley for years, recently wrote a friend that Barkley "many times told us how poor he was" and said, "I think he actually was poor until he became Majority Leader of the Senate."

About that time his fees for "lectures" to organizations having fish to fry in matters of foreign relations went up abruptly.

A very knowing and influential Louisville public official wrote, "I made an inquiry which somewhat confirms my belief, that Senator Barkley was being paid a maximum of $2,500 a night for his speeches" in one such overseas cause. He then might vote in favor of his clients' interest. This is common practice and the members of the Foreign Relations Committee are usually in demand for pearls of wisdom at fund-raising dinners.

This Louisville official added, "I personally think the most justifiable criticism that could be directed against Senator Barkley would grow out of his purchase of some real estate in McCracken County and subsequent sale to the government as a site of the atomic power plant. I have never had occasion to check the dates but I am inclined to believe the date of purchase would perhaps bear a significant coincidence with the birth of the idea in Washington of the purchase of land near Paducah for the plant."

Parenthetically, the cost of this job was boosted enormously by racket strikes of AFL unioneers ordered by notorious crooks who went unwhipped, however, when the Kennedy brothers were running the inquiry as a political project for the 1960 election.

Reverting to Chandler's recent remarks, Happy further said: "The rumor here is that he did not pay any Federal taxes during the last 10 years of his life. People here do not mention him much any more. They are generally disenchanted after finding out what sort of a character he really was. This is an interesting sidelight. Barry Bingham, of the *Courier-Journal,* is chairman of the committee to erect a monument to Barkley with state funds. They intend to place it in the rotunda of the state capitol at Frankfort."

Nevertheless the *Courier-Journal* did break the story.

The retired Treasury agent who provided the original tip on the Barkley matter said also that F. D. Roosevelt took revenge on Henry Wallace for describing him as "the wavering one" in some of his notorious bubblehead letters to his Russian guru, Nicholas Roerich. And the agent who actually handled the Wallace case said, "Yes, that was a hatchet job."

He said the Treasury ran up a bill of about $1,000,000 *against Wallace absolutely without justification just to worry and frighten him. After Wallace had stewed in his juices for a time the claim was dropped.*

Under the date line of Paducah which was Alben Barkley's home and where he is buried, the *Courier-Journal* reported last September 8 as follows.

"Uncle Sam got the bulk of the estate of Alben W. Barkley according to a final settlement of assets of the late Senator and Vice President. At the time of his death, April 30, 1956, Barkley's estate was valued at $501,005.28. Subsequent income and other assets discovered increased the total value at the time of the final settlement several months ago to $634,801.19. But his heirs actually received only about $154,297. He left no will. The Federal Internal Revenue Service showed up with a big income tax claim.

"The exact amount of the tax claim has not been disclosed. The estate settlement on file in the McCracken county clerk's office shows that Mrs. Barkley made two payments to Internal Revenue totaling $343,444.37. The first of $300,000 was made on October 31, 1958. The second, of $43,444.37, listed as 'balance on income tax,' was made May 20, 1959. In addition, Mrs. Barkley paid the IRS $13,773.92 in 1959 as tax on the estate.

"At the time of Barkley's death, his real estate, all in McCracken County, was valued at $100,637.50. The value of stocks and bonds was placed at $450,205.13. It was apparent that most of the estate was liquidated to pay the $343,444.37 income tax claim. The $154,297 left after settlement was distributed among four heirs. It was made up of $72,477.99 on deposit in Paducah and $80,000 from the sale of the Senator's suburban home. Barkley amassed the bulk of his fortune through the purchase of stocks and bonds."

This story was covered by Harry Bolser, of the *Courier-Journal's* West Kentucky Bureau. His use of the term "settlement" seems to suggest that the government compromised its claim but Robert L. Riggs, of the Washington Bureau of the C-J, stated otherwise. He wrote that under a revision of law the internal revenue would be obliged to make public on request all details of a case which had been compromised.

But in this case, the Internal Revenue told Riggs: "We cannot disclose anything other than that which appeared in the probate record." This record is a state record, on file in Paducah.

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Mrs. Barkley said Barkley had made gifts to her and to his son and two daughters. Contrary to Barkley's belief, these were not tax-free and the gift taxes therefore came out of the estate.

Mr. Riggs continued: "In Washington, the size of the estate was of as much interest as the fact that the government had seized more than half its valuation. If gifts to four family members totaled four times the tax-free $30,000 allowed each person, Barkley presumably had accumulated about a million dollars. When he died many friends considered him a poor man. For years as Senator and Majority Leader, he had been known as one who had to struggle to meet expenses. He once said in 1942 that if it were not for 'honorariums'—he never called them fees—for making speeches, he would not have been able to meet his expenses. For the first few years after the death of his first wife in 1947, he was under especially heavy expenses in rearing a family of three and paying for round-the-clock nursing service for Mrs. Barkley. In that period he would fly to a distant city after the Senate adjourned, make his speech for $200 or $500, fly back after midnight and be on the job at 10 a.m.

"When Barkley became Vice President in 1949 the salary was $30,000. It is $35,000 now. But more important than the jump was the increase in the demand for Barkley as a speaker and in his honorariums. Where $500 had been a generous fee, few groups now thought of asking him to speak for less than $1,000. One eastern university of great prestige is reported to have paid him $2,500 to deliver a commencement address. A banker's association is reported to have paid $5,000 and this fee was not considered out of line at the time."

Among many "honors" conferred on Barkley one was a flagrant case of embezzlement by trustees. This was a gold medal voted him by Congress at a cost of $2,500 in 1949 "in recognition of distinguished public service." There was no excuse for it and the expense was a burden on millions of taxpayers who had paid him in full at least, quite aside from the fact that his public service included one full term in the Senate by means of an election stolen with free government groceries, money for rent and blankets which his organization distributed among destitute voters. The late Tom Stokes got a Pulitzer award for exposing that crime.

Dawson's Chicago Empire

By Raymond Moley

It would be interesting to know what Southern citizens are now thinking—citizens who switched from Nixon to Kennedy because Henry Cabot Lodge made the unauthorized promise to name a Negro to the Cabinet. For President-elect Kennedy offered the Postmaster Generalship to Representative William L. Dawson who, after this great honor was conferred, declined with thanks.

Dawson is the high imperial ruler of a Chicago South Side district. His empire includes the Chicago Loop and runs south and somewhat west of that business center. Its population is something under 400,000. It comprises the First Ward, which was in earlier times bossed by the notorious "Hinky Dink" McKenna and "Bathhouse John" Coughlin. In those days the area was famous for graft, crime and fraudulent voting. Over the years, emigrees from the Southern states have almost completely taken it over. Dawson was born in Albany, Ga., 74 years ago. He has been in Congress since 1942 and is House chairman of the powerful Government Operations Committee. In "Who's Who" he lists his appointment as Vice Chairman of the Democratic National Committee.

Dawson's control of a huge, solid bloc of Democratic votes gives him great power in the Chicago machine of Mayor and Boss Richard J. Daley. After vainly struggling with the bosses, two-term Mayor Martin H. Kennelly, a good public official, was denied another term and was succeeded by Daley. Dawson was a main factor in driving out Kennelly.

Dawson's empire has a grimy reputation in Chicago. It has been the scene of lost votes, of election irregularities, and of police corruption. It has been investigated over and over for lawlessness.

The boss of this district is the man who was offered a Cabinet office. Presumably this was in recognition of the vast Kennedy vote which his district produced. Also, it was a gesture to the race which played so large a part in the Kennedy victory.

Since the Post Office has traditionally been a source of immense political patronage, there has been a custom of awarding the Post Office Department to the man who most prominently played a part in the election of the President. He has been by tradition the shaker of the plum tree. Many, such as Will Hays, James A. Farley, and Arthur Summerfield, were previously chairmen of the national committees of their parties. John Wanamaker received the honor from President Benjamin Harrison. He had been a member of the Executive Committee of the Republican Party. But he was a man who stood for clean politics.

Certainly Dawson is an unusual choice, despite his party activities, for heading such a tremendous business organization. There were doubts—perhaps a certainty—that Dawson would not accept. But the gesture is of inestimable importance to the minority of which Dawson is so powerful a member. One need not be a cynic to believe that the gesture was all that was necessary. But it shows how little the present people in control of the Democratic Party care about the vote of the Southern states. And how purely political the new Administration promises to be.

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Human Events

Vol. XVIII, No. 1 — Section V

January 6, 1961

Illegitimacy Aid: Louisiana vs. the Feds

By EDNA LONIGAN
Political researcher, analyst and writer

THE STATE OF LOUISIANA has been engaged in a controversy with the Federal government over grants to mothers with illegitimate children. The controversy touches on some of the most important issues in the problem of Federal contributions to—and management of—state and local government budgets.

The issues are similar to those in Federal aid to the school systems of the states, but Federal aid in the field of welfare started earlier and Federal control is much farther advanced.

The controversy in Louisiana tells us what will happen in any area where the Federal government undertakes part of the cost of local government.

The immediate problem arises from a law passed by the state legislature of Louisiana last July, dealing with the payment of relief funds to mothers with illegitimate children.

The legislature's action was moderate. It forbade the payment of public welfare funds to mothers who bore an illegitmate child after being put on the rolls. Thus, it did not cut off all illegitimate children, but only those whose mothers continued to have illicit relationships while on public relief. The legislature put its action on the ground that such mothers were not maintaining suitable homes for children to grow up in.

There were 19,000 illegitimate children receiving state welfare benefits. The new law removed 10,000 illegitimate children—about half the total. But since all children of the mother were affected, the new law cut off 22,000 children in all, over half of whom were legitimate.

The question turned to the fitness of the home. All arguments for widows' pensions, as they were ORIGINALLY called, or aid to dependent children, as they are now known, rested on the belief that children were better off at home in the care of their mothers than in an orphanage, or with a mother who had to take an unskilled job at long hours to keep the family together.

The issue was simple: Could women who were having illicit relations with men provide homes for their children good enough so the state should support them? That question is important to all states, not only Louisiana. The public indignation against public welfare toleration of illegitimacy is rising fast, and is not likely to abate.

In a pamphlet on "Illegitimacy and its Impact on the Aid to Dependent Children Program," the US Department of Health, Education and Welfare says that illegitimate births increased from 89,500 in 1940, to 201,700 in 1957. Some part of this may be due to better reporting of such births. It is also possible that illegitimacy is now more frequently admitted.

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The rate of illegitimate births is about ten times higher among Negroes than among whites. Virtually all the increase since 1940 has been among Negroes, says the HEW report. Relatively little increase appears among teen-agers. The Louisiana legislature was bitterly criticized for removing more Negro than white mothers, but the problem is there.

Government aid to families, dependent because the father was not married to the mother, totaled $183 million in 1959, says HEW. Of this, $100 million came from Federal sources.

The HEW report says that of 215,000 children born out of wedlock and receiving public aid, 24 per cent were born *after the family* went on aid to dependent children.

We must remember that illegitimate children can be legitimatized in most states when the father marries the mother. The HEW report says (p. 50), "In many cases, the man is willing to marry the mother of the children, but the mother is unwilling because she needs the security of the ADC check. Although the father sleeps in the home in some cases, he does not marry the woman because he does not earn enough money to support the family." Doesn't that make HEW a partner in encouraging illegitimacy?

The Ladies Home Journal had an article on the rise in illegitimacy, in its issue for November, 1960. "The basic threat of illegitimacy," said the author, Glenn Matthew White, "is to the family as the essential social unit . . . . The public—society—has both the right and the duty to oppose it, and will continue to do so." That is, the issue of the "suitable home" is paramount.

The Louisiana legislature was dealing, then, with a national as well as a local problem.

Even then the new law was not arbitrary. When the mother ceased her illegitimate relationships, she and her children would be given the welfare allowances again. The choice was hers. The Louisiana Department of Welfare has certified some 40 per cent of the cases that were closed when the new law was passed.

The Federal government pays 77 per cent of the cost of grants for dependent children. It therefore assumes the right to set "standards" for the state agencies spending that money.

If the state legislature sets standards different from those of the Federal welfare agency, Washington withholds its funds until the state obeys.

In this instance, the Federal Bureau of Public Assistance in the Social Security Administration of HEW moved immediately. It is said refusal of aid to mothers who were continuing to have illegitimate children was contrary to Federal "requirements."

Federal agents had more than an argument. They had a club. They ruled that funds for ALL dependent children would be withheld from Louisiana. There were some 50,000 to 60,000 children still receiving "aid to dependent children," but the Federal agents announced that, until Louisiana surrendered, they would withhold the total Federal payment for ALL NEEDY CHILDREN.

The HEW also raised the grim possibility that it would cut off Federal contributions for all aid to other groups—that is, the needy aged, the blind, the disabled. This meant that up to 180,000 cases, with nearly a quarter of a million people involved, faced possible loss of most of their income.

Here you come to a most important fact. State legislatures may wish to set standards of good home conditions for their needy children, but state governors do not want to find the money to replace the Federal funds. They would lose. They would prefer, if a function should be governmental rather than private, to have the Federal government increase the tax burden rather than to ask for an increase in state levies. Thus the Federal agency has leverage within the state government to make state officials conform to orders from Washington, even if they are in defiance of laws duly passed by their own state legislature.

THE LOUISIANA Welfare Department submitted an amended plan conforming partly with Federal requirements. But Louisiana balked at two conditions imposed by Washington. HEW said the Louisiana welfare authorities must notify every family removed from the rolls that it was eligible once more. The Louisiana department said it could not solicit business. The Federal Bureau also insisted that any families not restored to public relief rolls be referred to the courts to determine whether the home was a proper place. The state people said this would place an impossible burden on the courts and the Welfare Department.

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The Louisiana authorities have now reached an agreement with the demands of the Federal government, without receding from the requirement of a suitable home. The head of the HEW Bureau of Public Assistance now says unofficially that the Louisiana plan is "satisfactory" to him.

This is no minor or isolated episode far off in Louisiana. EVERY PROGRAM FOR FEDERAL AID WORKS THE SAME WAY. What is true of welfare today will be true of education tomorrow, once the harness of Federal grants-in-aid, for any purpose, is imposed on our state and local school systems. Federal grants are a club, which is used quite deliberately by Federal authorities to make the states conform. They can win almost always because the state executive branch does not want to lose the large Federal contrbution to its budget, merely to conform to the wishes of the state legislature.

In a study of "Post-War Public Relief Policies," published by the American Enterprise Association about ten years ago, it was pointed out that welfare legislation had built-in "accelerators" designed to make sure that welfare spending grew and grew. One device was the vague category. The states used to give aid to "widows with children." That is not vague. Gradually the category has been expanded to "aid to dependent children." This includes wives of men in jail, in institutions for the mentally ill, or men who just abandon their families. "Aid to dependent children" is the loose kind of category that the social welfare workers like. It is the kind of category under which they can decide to include illegitimate children, and then say, "It is the law."

With these nice elastic categories, Federal welfare spending just keeps on growing. A signficant part of the huge Eisenhower budgets was due to elastic categories put into spending bills in the Roosevelt-Truman era.

THE FEDERAL GOVERNMENT has three instruments of coercion. It provides a constantly increasing share of state budget spending. State officials can rebel against contributions of 33 per cent of payments for a small welfare program, but their resistance shrinks rapidly when the Federal payment is 80 per cent of a large fraction of the state budget. Every official who resists the impositions of the Federal bureaus is telling the governor and the legislature of his state that they must impose heavier taxes on the voters.

The growing share of Federal payments is one instrument of control. A second important instrument is "training." Federal welfare officials are eager to set up Federal training programs for the personnel of all sorts of state and local activities. The American Enterprise Association's pamphlet referred to above cites examples of how welfare workers in training are thoroughly indoctrinated with the idea that applicants have a "right" to almost anything they ask for. It is the duty of welfare staff members to encourage the "socialization" of the cruel world of capitalist self-reliance. The case worker must not ask any embarrassing questions of a man who does not look for work, because she might upset him.

This training serves two purposes. It sends a well-indoctrinated group of social workers back into the state and local agencies. It helps to set up frictions within the welfare agencies between older heads of agencies and newer recruits. It is ideal for creating frictions between the professional (indoctrinated) staff and the county boards, which in many states still serve as the "case committee" which makes the final decision. Professional staffs make every effort to get rid of these local boards for the same reason that the educationists are determined to get rid of local boards of education. (Under our system of self government, experts were placed under a board representing many points of view, including the public's, but the new centralized government puts the expert in a position of power where he can tell the citizen what to do.)

The third weapon of the Federal agencies and their allies in the state service is the "approved plan." The Federal government decides what is to go into the plans it will approve. "Standards" cannot be set in the law. They are set by executive fiat. The Federal agency decides what is "need," what is a "family," and so forth. It is obvious how well this system lends itself to a gradual tightening of the controls in the hands of Federal bureaucrats.

These three weapons—the payment of a decisive share of the state budget; the training of local staffs; and the requirement of an "approved plan" —are the tools by which the Federal government

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is converting the states into provinces of the central government.

We cannot say too often that every road to "Federal aid" is the road to Federal control. We repeat that anyone who believes Federal aid to education will be different is either not very honest or not very bright.

In one important case—one of the few—the Federal government was stopped cold. In 1952 the Indiana state legislature provided that the names of people receiving old age assistance could be inspected by anyone having a legitimate reason. The legislators knew that there were chiselers on the rolls. They knew that many people well able to take care of their parents were turning them over to the welfare department. They believed in the established rule that all expenditure of public money was public business, and should not be carried out in secrecy.

The Federal Social Security Administration retaliated by threatening to cut off grants to Indiana for all needy aged. Republican Senator William E. Jenner thought that state officials should not be pressured to disobey the laws of the state, so he introduced an amendment to the Korean War tax bill. It provided that no funds could be withheld from a state agency for publishing names on relief rolls, if the state legislature had provided that the names must be made public to proper inquirers. The Jenner amendment passed both houses of Congress. A number of state legislatures thereupon passed laws making public the names of relief recipients in their states.

Federal "grants-in-aid" are a monstrous growth which must of necessity undermine the constitutional balance between Federal and state or local agencies, and between the executive branch and the legislatures, Federal or state.

CONGRESS IS GOING to be confronted with proposals by the new Administration for new kinds of grants-in-aid! It can resist the spread of the grants system only by insisting on abolition of Federal grants in all areas which are primarily of state and local business.

Whatever the arguments for Federal grants to states for road-building—and they also are challenged—there are no good arguments for Federal payments to the states for needy and dependent people.

Americans carried on a variety of welfare assistance activities from colonial days to 1933, without a particle of Federal help. Welfare assistance was constantly improving over the entire period, in quality, quantity and kindliness. There has been no faster improvement under Federal supervision, unless one believes that "socialization" is the goal.

There is no good reason why a Federal relief program was reestablished. The Social Security bill dealt with contributions from employed people to their own fund, from which they were to draw when old or unemployed. Relief programs deal with those who have no earning capacity and cannot provide for themselves.

In 1934 the Federal government ruthlessly cut two million families off Federal relief without any warning. That was part of the battle waged by Harry Hopkins to get control of the billions voted for relief work. Old and sick and needy people were thrown off the rolls, though half the states had no machinery even for registering their names. For several years the Federal government saw no need for "Federal aid" for the weak and helpless. But the power was too great to be relinquished.

Perhaps, one reason for grants-in-aid for welfare in the Social Security bill was because it was planned, from the beginning, to change social security into an all-inclusive system divorced from the contributory principle.

During the social security debate, every promise was made that the Federal government would never use its funds to get control over state welfare.

If Congress wishes to preserve the constitutional principle of sovereign states, it must begin to amputate these grants-in-aid. It must confront every request for new assistance by cutting down some older program. It should put the state legislatures on notice that grants-in-aid must go. And it should be prepared to fight the congressional elections of 1962 on the question of whether Congress can reduce Federal spending in areas where the states do better, and where Federal intervention undermines the constitutional balance between Federal and local governments.

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